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34

1478



1479

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Contents

USSR: Party Congress Developments	1
Nicaragua: Strike Outcome Favors Sandinistas	3
Cambodia: Paris UN Meeting Faces Difficulty	4

East Germany: Show of Foreign Policy Independence	6
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Notes

USSR-Germany: CW Controversy on Eve of Kohl's Visit	9
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Yugoslavia: Belgrade Takes Hard Line on Separatists	10
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USSR: Ukraine's Politics More Volatile After Ivashko	10
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In Brief

12

~~Top Secret~~

13 July 1990

~~Top Secret~~

USSR

**Yel'tsin Bolts Party**

Boris Yel'tsin's decision to leave the Communist Party fits a pattern of dramatic actions going back at least as far as his outburst at the Central Committee plenum in October 1987 that cost him his Politburo seat. After announcing his resignation at the party congress yesterday, Yel'tsin walked off the podium, up the aisle, and out of the hall. He had warned he would resign from the party if the congress did not endorse a radical version of reform, but, immediately before the congress, he indicated he had reconsidered in the interest of unity.

Yel'tsin has been trying throughout the congress to grab attention from the General Secretary. He has kept the Russian Republic Supreme Soviet in session and issued a daily stream of announcements on policy and personnel decisions. Yel'tsin's resignation comes the day after Gorbachev pushed through his candidate, Vladimir Ivashko, for Deputy General Secretary, and momentarily diverts the spotlight from the General Secretary.

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13 July 1990

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USSR:

Party Congress Developments

Gorbachev has succeeded in gaining control of the party congress and has gotten his way on key leadership and policy issues. But the decision of Yel'tsin and other reformers to bolt the Communist Party underlines the futility of his temporizing strategy in a polarizing USSR and has increased the need for him to cooperate with emerging democratic state institutions in order to run the country.

Depoliticizing the Military

Gorbachev managed the debate yesterday to make the party's rules, which will be voted on today, more flexible, responding to some key concerns the reformers have voiced. Most important, he outlined steps to restructure the armed forces' relationship with the party. Gorbachev said that henceforth party work in the military will be conducted by grassroots-level party organizations. He announced that the political officers of the military's Main Political Administration formally operating as a Central Committee department will be moved from party to state control and will conduct patriotic education and "social-cultural" work among soldiers and their families. Party organizations will remain in the military, but Gorbachev said at the opening of the congress that other parties are free to organize

Comment: The decision is a major step toward depoliticizing the military, one of the most hotly debated issues at the congress. Reformers warned the congress that senior political officers are playing a key role in trying to encourage an alliance between traditionalists in the party and the military. According to one officer, the MPA fixed all but five of 201 elections of military delegates to the congress.

Yel'tsin Quits Party

After he learned he had been proposed for a seat on the Central Committee, the Russian Republic leader yesterday announced his decision to quit the party, saying he could not properly fulfill his obligations to the Russian electorate if he were bound by party decisions. On Wednesday, he had said the congress had not fulfilled his expectations and warned of a "mass exodus" if the congress balked at fundamental reform. Following Yel'tsin's remarks yesterday, Vyacheslav Shostakovskiy, a leader of the party's Democratic Platform (DP) reform faction—and a person who had also been nominated to the Central Committee—told the congress it had not met the group's hopes for change, adding that the DP has decided to form a new party.

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Comment: The resignation of Yel'tsin and other prominent reformers will accelerate the exodus of DP supporters, although some will hold on until they have time to assess the overall impact of the congress. The DP claims the support of as much as 40 percent of the party, and the loss of even a small number of reformers is certain to reduce the party's chances of reversing its declining popularity.

Yel'tsin's rejection of the party will further strain his relations with Gorbachev, who probably proposed including Yel'tsin and Shostakovskiy in the new Central Committee as part of his efforts to accommodate DP demands and keep the party whole. Yel'tsin's move is likely to be popular in Russia, enhancing his stature as an alternative to Gorbachev and increasing pressure on Gorbachev to cooperate with him to move the reform process ahead.

**Gorbachev Outlines
New Central
Committee**

Citing strong demands to renovate the Central Committee, Gorbachev announced yesterday that its seats will be filled primarily on the basis of regional quotas. Each republic is allotted five seats and has the right to nominate another candidate for every 100,000 party members to ensure proportional representation. An additional 85 seats are being set aside for representatives of central government and academic organizations, raising the total to 398. Party functionaries are candidates for at least a third of the seats. Gorbachev said he and other senior officials, including Deputy General Secretary Ivashko, Premier Ryzhkov, Gosplan Chairman Maslyukov, Defense Minister Yazov, and KGB chief Kryuchkov, should be members of the Central Committee. He said Foreign Minister Shevardnadze had turned down membership. The election will occur today, after which the new Central Committee is to meet to select the Politburo and Secretariat.

Comment: The list of nominees suggests there will be an almost total turnover in the Central Committee and the top party leadership drawn from it. The complexion of the new Central Committee will promote regional interests at the expense of the central bureaucracy, especially the ministries that dominated the old Central Committee. Although it may not be as obstructionist as its predecessor, it is likely to have a traditionalist cast, and regional representatives will try to use it to push their own interests.

If Ryzhkov, Yazov, and Kryuchkov are reelected to the Politburo, Gorbachev will need to engineer the election of reformers to that body to restore a political balance. Moreover, the shift of Gorbachev's most loyal Politburo allies to state institutions will dramatize the division of power between party and state bodies, accentuating the decline of the party leadership's decisionmaking authority and underscoring Gorbachev's decision to focus greater attention on the presidency.

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~~Top Secret~~**NICARAGUA: Strike Outcome Favors Sandinistas**

Chamorro's agreement to meet virtually all the strikers' demands will undermine her economic program and alienate many supporters.

The government yesterday agreed to review the decree providing for the privatization of state enterprises and to form a joint government-worker committee to plan industrial recovery without abolishing jobs, according to press reports. Chamorro also met striker demands for job security and severance pay for public employees as well as continued transportation subsidies for students and workers. Wages will be raised 43 percent, and workers are to have a say in future increases, which are to be indexed to inflation and paid in the new currency. No striker will be dismissed.

The Sandinista unions agreed only to end the work stoppage. Strikers celebrated their victory in the streets. progovernment labor and conservative political leaders already are critical of the strike agreement.

Comment: Although talks on settling the details will continue for some time, the government appears to have capitulated on most key issues. Sandinista unions will have a say in government economic policies and may be able to obstruct or water down Chamorro's recovery program. Gaining control over inflation and encouraging domestic and foreign private investment will be more difficult. The accord is likely further to erode support for Chamorro among conservative political parties, democratic unions, and the private sector.

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CAMBODIA:**Paris UN Meeting Faces Difficulty**

Disagreements between Moscow and Beijing on a UN role in a Cambodian cease-fire and interim administration cloud chances for progress toward a settlement at the meeting next week of the five permanent members of the UN Security Council.

The Soviets are increasingly eager for the five to agree on a settlement formula, but Moscow took a hard line in preliminary discussions last week, [REDACTED] It opposed granting administrative powers to the UN during the transition period before elections, the cantonment of Khmer forces, and any use of UN troops to confiscate weapons. Moscow also proposed barring some Khmer Rouge leaders from elections and hinted it would not support a major UN role in organizing elections.

The Soviets and Chinese have suggested they might compromise on the administrative role of the Cambodian Supreme National Council, but China says it will insist on a distinct role for the Khmer Rouge in the Council. Beijing also is insisting on a partial or complete disarmament of all forces by the UN.

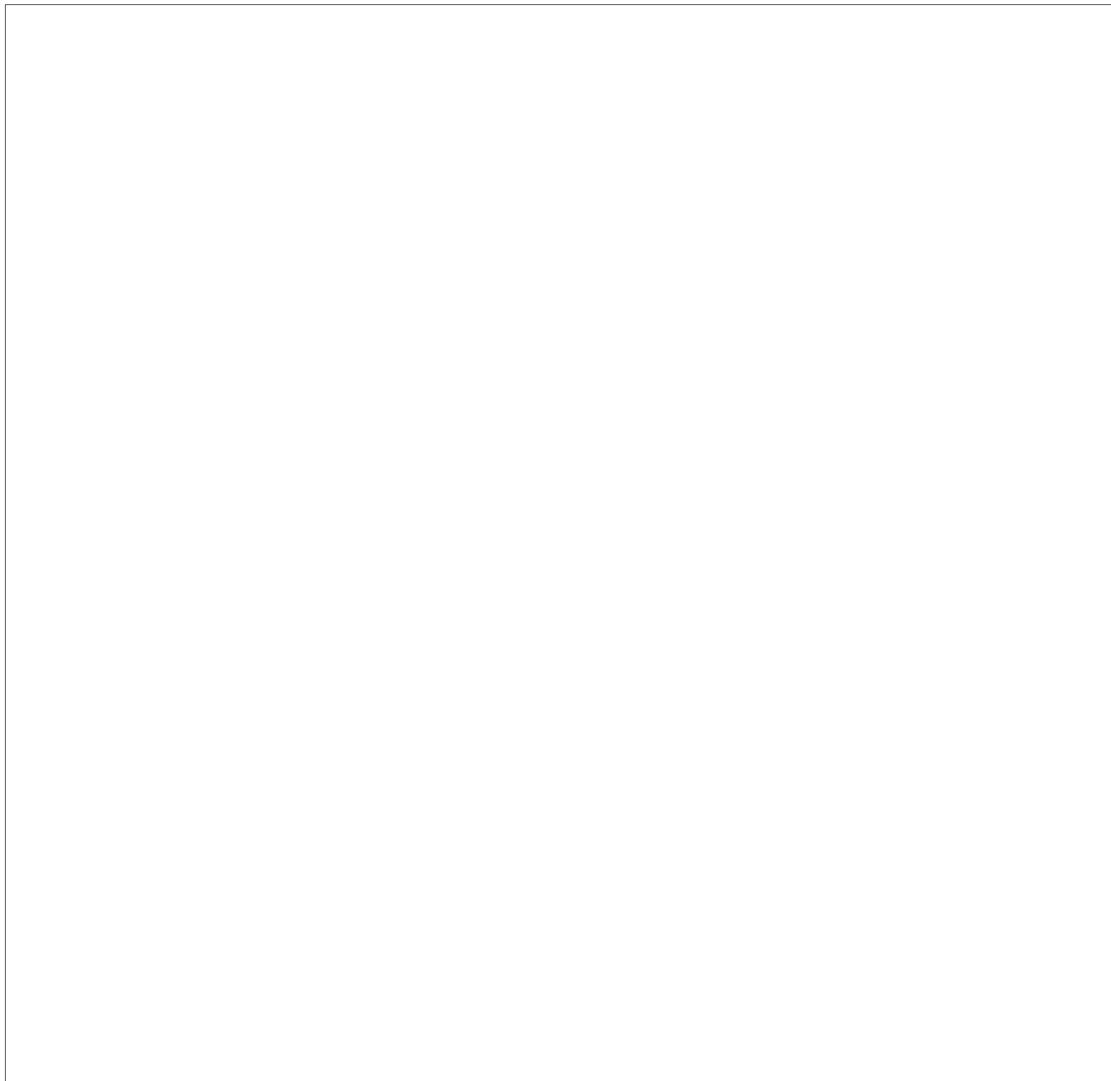
Comment: Moscow's hard line probably reflects a belief that the recent agreement signed by the Phnom Penh regime and Prince Sihanouk in Tokyo on a Supreme National Council and a voluntary cease-fire eases pressure on Phnom Penh to accept further compromises that would weaken its authority. Soviet backtracking on an earlier consensus among the five on the UN role might also be a tactical move; Moscow may soften its views in Paris on a UN role in elections and the composition of the Supreme National Council if it gains Western and Chinese concessions on military issues.

Regional pressure for a settlement is likely to build if the five make no progress. Indonesia and Thailand probably would try to keep the diplomatic process from flagging and might put more pressure on the Khmer factions to reach a settlement, but a regional initiative is unlikely to succeed while the military stalemate persists.

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13 July 1990

1486

~~Top Secret~~

East Germany



East Germany's Meckel Puts His Stamp on Foreign Policy

As the most influential Social Democratic Party (SPD) member in government, Markus Meckel is unlikely to be in a postunification cabinet, given the SPD's weak standing in the polls in East and West Germany. He almost certainly wants to use the rest of his term to try to put his stamp on the foreign policy of a united Germany.

A Lutheran pastor who had been active in the peace and human rights movements, [redacted]

[redacted] Meckel has been attacked by East German legislators for not coordinating his foreign policy initiatives.

Meckel and Prime Minister de Maiziere were comrades in the prerevolutionary reform movement and have similar views on many foreign policy issues, including the inevitability of NATO membership for a united Germany and the desirability of strengthening the CSCE's security policy role. Both want to avoid isolating the Soviets. Nevertheless, as the election campaign intensifies, Meckel will be speaking to a different constituency than the Prime Minister and will continue to take independent stands on arms control and other security policy issues.

Meckel, whose inner circle is composed of West German veterans of the peace movement of the 1980s and leftwing members of the SPD-West, sees East Germany's role in both the two-plus-four talks and the eventual foreign policy of a unified Germany as that of a bridgebuilder to the Soviets and Eastern Europe.

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13 July 1990

~~Top Secret~~**EAST GERMANY: Show of Foreign Policy Independence**

Foreign Minister Meckel will emphasize the need to forge a two-plus-four agreement more in line with what the Soviets are seeking when he meets with US officials in Washington today, although he realizes East Germany has little choice but to follow Bonn's lead on security issues related to German unification.

Meckel,

[redacted] initially asserted that the decisions taken at last week's NATO summit were not satisfactory. He complained in particular that the communique did not rule out eventual deployment of a nuclear tactical air-to-surface missile. Prime Minister de Maiziere's more tempered reaction called on NATO to renounce flexible response and nuclear first-use policies.

Specific differences between East and West German officials exist on other issues. [redacted] Anti-Polish sentiment is more widespread in East Germany than in West Germany, and East Berlin officials for that reason are more inclined than those in the West to agree to Polish demands that a border treaty be concluded before unification. The East Germans are more reluctant than Bonn to proceed with unification in the absence of a two-plus-four agreement. They are prepared to accept an all-German military well below the 350,000 to 400,000 manpower total Bonn favors.

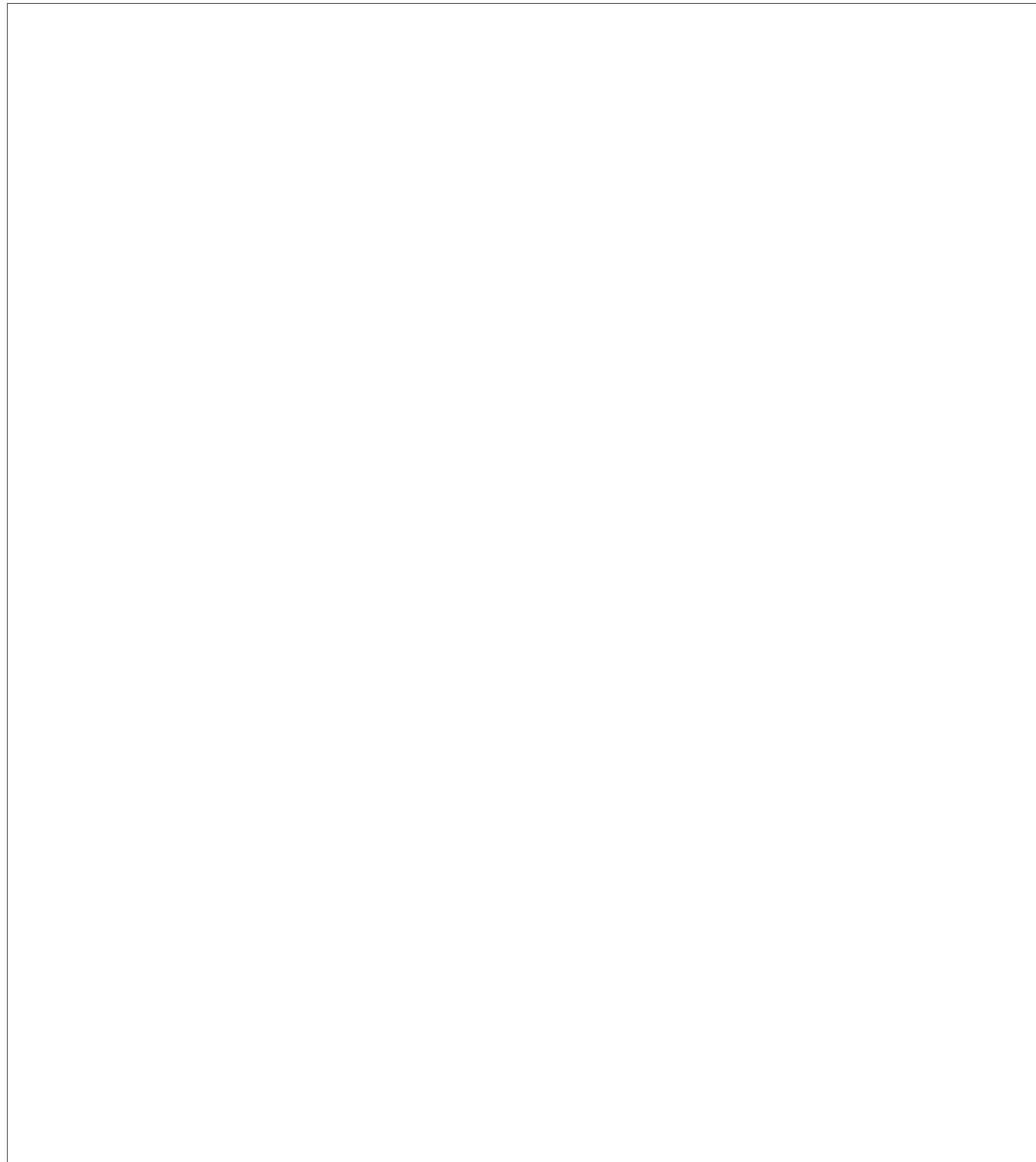
Comment: Meckel's recent backtracking on criticism of the NATO summit is probably in reaction to favorable assessments of the Alliance meeting by Gorbachev and Shevardnadze and to signs of Bonn's irritation. He nonetheless will defend East Berlin's positions as necessary to minimize frictions in the two-plus-four talks by not making the Soviets feel isolated. East Berlin probably fears that a Soviet backlash might delay agreement on the withdrawal of the USSR's troops.

But Meckel's independent stances probably stem as well from resentment of Bonn's heavyhanded efforts to dictate East German policy and the date and terms for an all-German election. Continued voicing of differences with Bonn might complicate the two-plus-four talks and Chancellor Kohl's campaign strategy.

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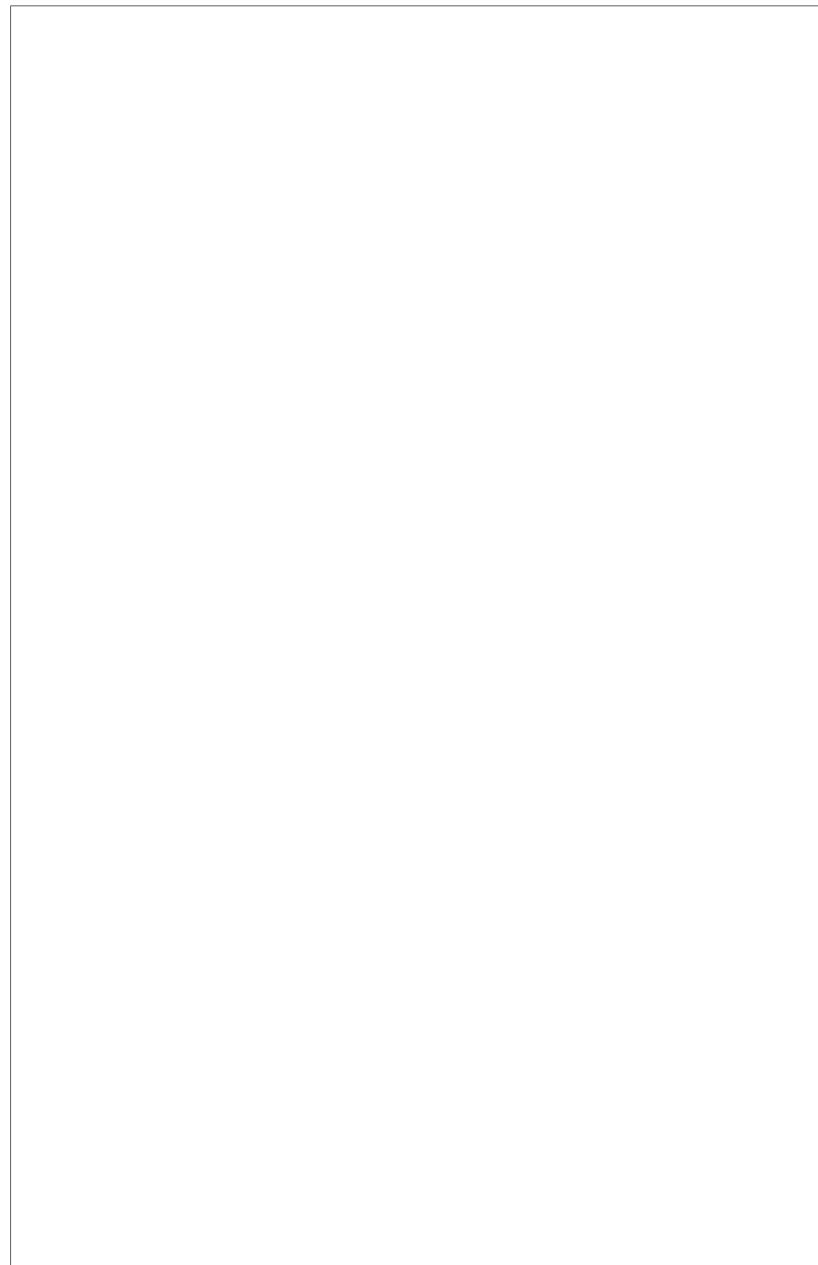
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USSR-GERMANYS: CW Controversy on Eve of Kohl's Visit

A West German press report on Tuesday alleging that Soviet forces are storing large amounts of chemical weapons in East Germany could complicate the talks on German unification Chancellor Kohl will have in Moscow beginning Sunday. Soviet Foreign Ministry spokesman Gerasimov termed the report, which was attributed to senior West German intelligence sources, as a provocative hoax, and an East German Defense Ministry spokesman relayed assurances from Soviet military leaders that chemical weapons are not stored in East Germany. Most West German media commentators nonetheless assumed the report to be true and expressed outrage; some pointed out by contrast US moves to remove its CW stockpile from West Germany.

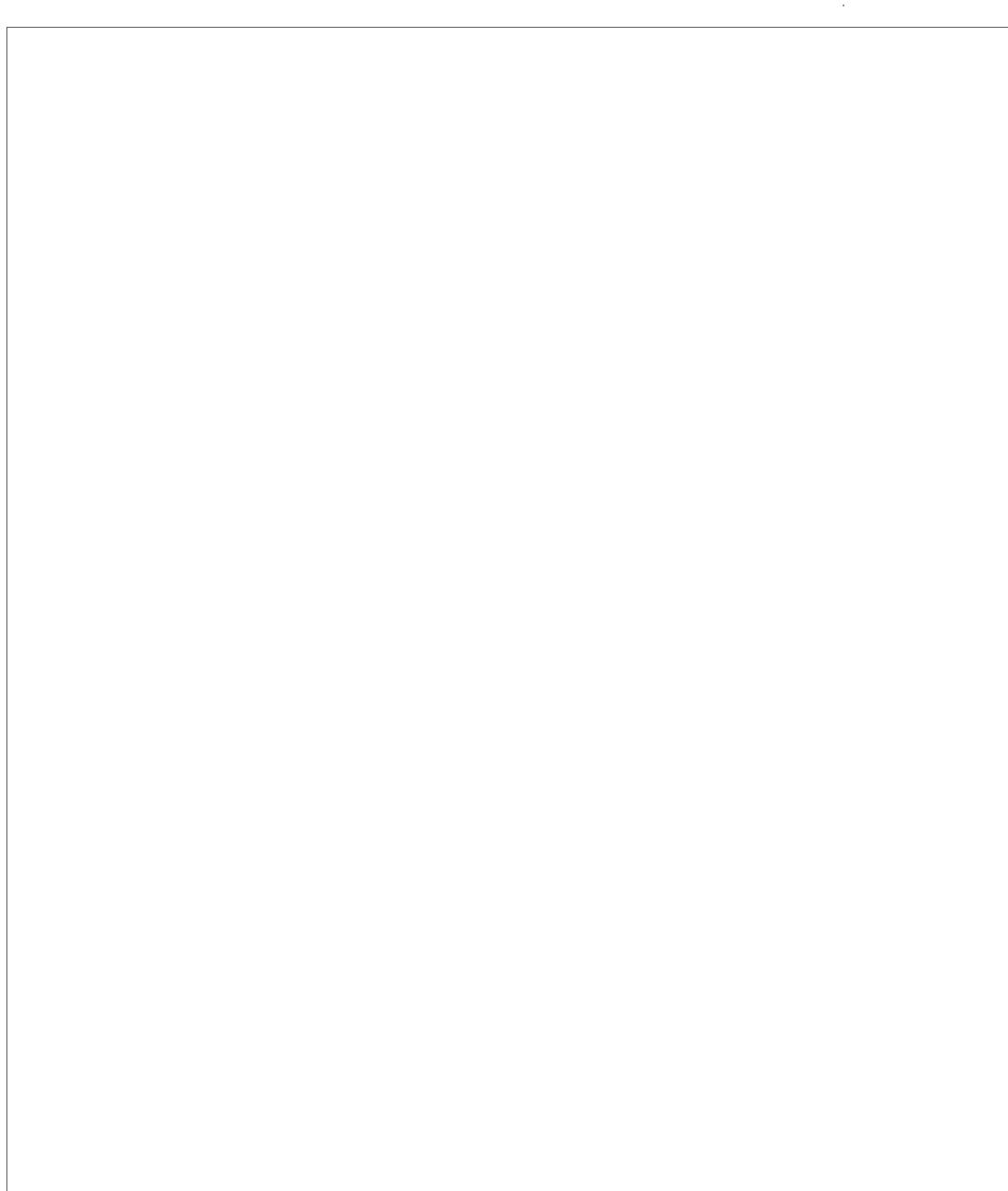
Comment:

It may have been inspired by West Germans intent on making it more difficult for Kohl to make significant concessions in Moscow to gain Soviet acquiescence in a unified Germany in NATO. The Kohl government, probably wanting to minimize public debate, noted that it "would not exactly be a surprise" if the Soviets have chemical weapons in East Germany. If the CW story builds, sentiment against the USSR's forces in East Germany would also rise, and Gorbachev's image in West Germany would suffer its worst setback since the Chernobyl accident in 1986.

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1491

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~~Top Secret~~

13 July 1990

Top Secret

YUGOSLAVIA: Belgrade Takes Hard Line on Separatists

Belgrade has sent a firm message to those trying unilaterally to change Yugoslavia's federal structure by declaring Kosovo's recent independence declaration illegal and by endorsing Serbia's efforts to establish control over the province. An armed forces spokesman reiterated the military's support for the "integrity of the federation" and rejected Slovenia's move to prohibit Slovene conscripts from serving elsewhere in the country.

Comment: The latest statements suggest sentiment is building in the federal government to use force, as it did in Kosovo, to keep the constitutional order intact. A confrontation also is possible next week when the Slovene assembly almost certainly will refuse to accede to Belgrade's demand to retract its declaration of sovereignty. The Slovenes may seize on Belgrade's hard line to distance themselves from the federation or may even declare their intention to secede. A break would put pressure on Croatian nationalist leader Tudjman to join forces with Slovenia and would greatly increase the costs of military intervention for Belgrade.

USSR: Ukraine's Politics More Volatile After Ivashko

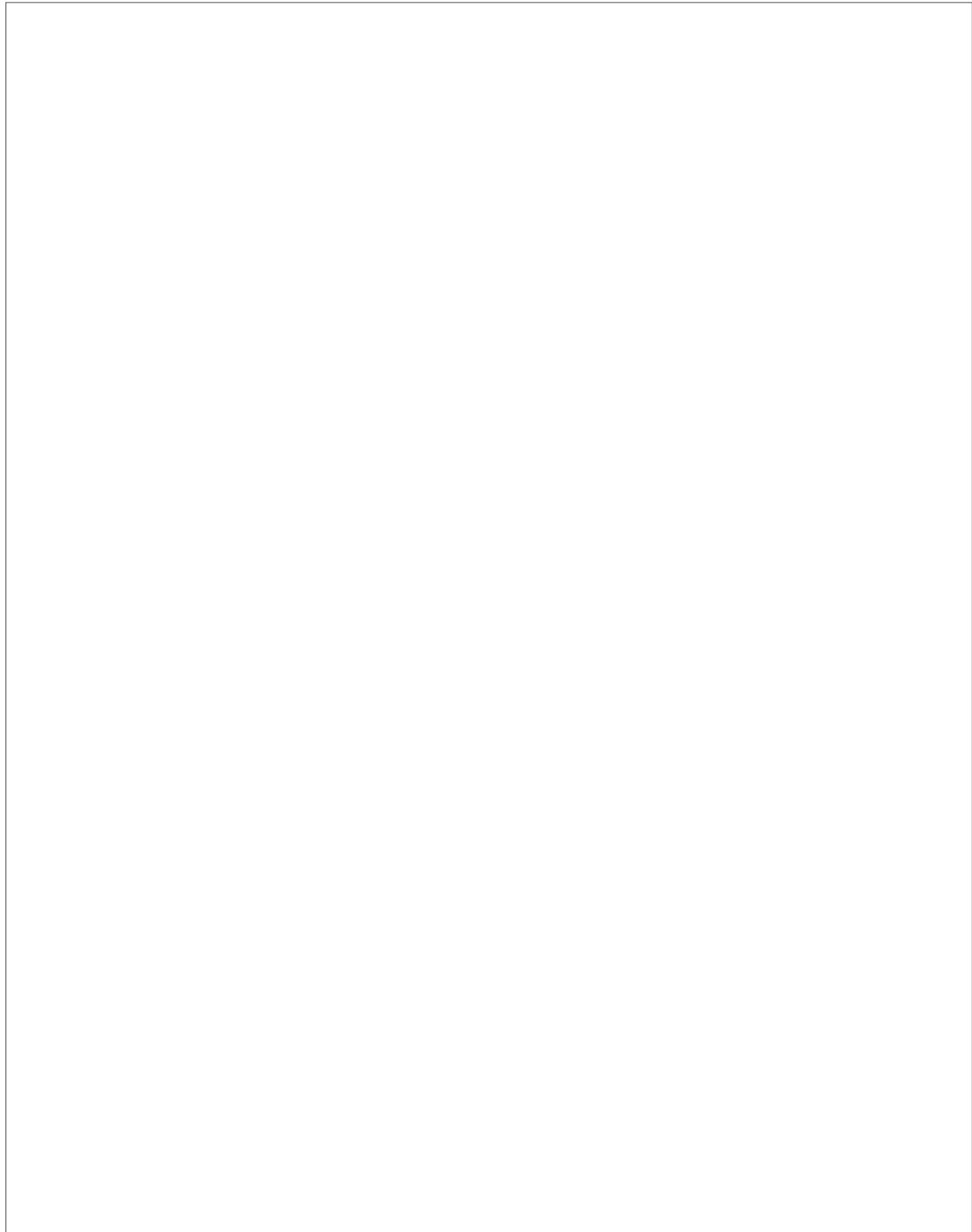
The Ukraine faces political uncertainty with the resignation from the republic presidency of Vladimir Ivashko, Gorbachev's new Deputy General Secretary. Before he was elected Wednesday to the national job, Ivashko had resigned, to protest the Ukrainian legislature's recall of its 63 deputies, including himself, from the CPSU congress. The legislature said the deputies were placing party interests above those of the republic. Ivashko accused the 125 non-Communist deputies in the legislature of engineering the recall resolution, which he interpreted as a vote of no confidence, and he criticized the more than 200 Communists who backed it.

Comment: Few Ukrainian leaders share Ivashko's reputation as a centrist able to work with both opposing blocs. His departure will leave the legislature virtually paralyzed by the traditionalist party majority and a nationalist proindependence minority. The attack on the leadership by many traditionalists is evidence of the divisions and rising tensions in the party bloc, rifts the nationalists have been quick to exploit. The legislature may propose replacing Ivashko with party Second Secretary Kravchuk, who is a moderate and acceptable to moderate nationalists. The radicals, encouraged by Ivashko's resignation, will try to elect a non-Communist president.

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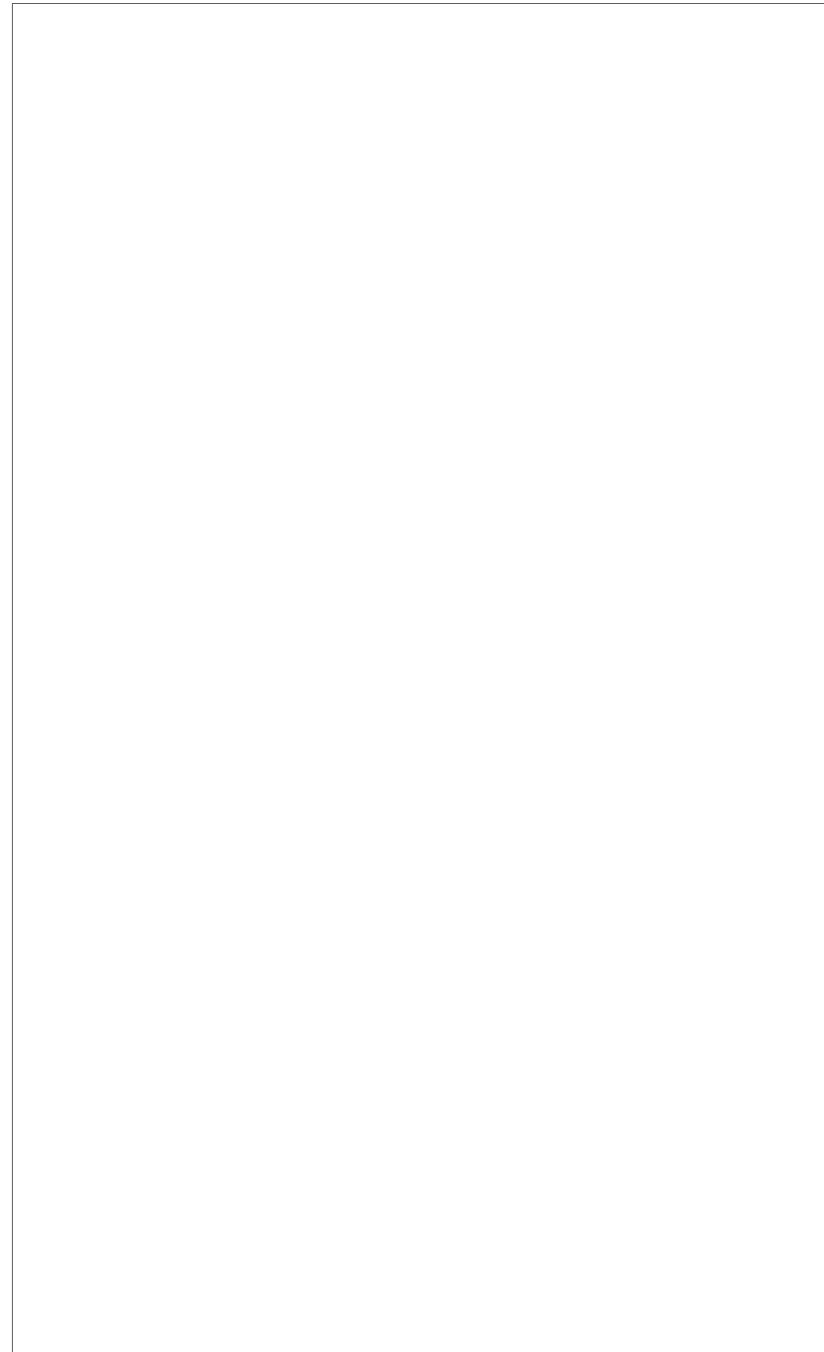


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13 July 1990

1494

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~~Top Secret~~**In Brief****USSR**

- Soviet spokesman Wednesday denounced settlement of Jews from USSR in Golan Heights . . . underscores Soviet demands for settlement guarantees from Israel . . . Moscow concerned about repercussions for relations with Syria.
- Soviet Government has written off farm debts of 40 billion rubles . . . Gorbachev trying to mend fences with increasingly powerful state, collective farm lobby . . . hinders agricultural reform and efforts to cut budget deficit.

Africa

- Fighting between Liberian Government and rebels apparently has slackened . . . no progress yesterday in Sierra Leone—hosted peace talks, two sides far apart . . . rebel forces probably regrouping, resupplying.

Asia

- More than 20,000 people have fled fighting in Sri Lanka for southern India since mid-June . . . Indian opposition criticizing New Delhi's inaction . . . likely response is increased rhetoric, diplomatic pressure but not military intervention.

Americas

- Haiti's State Council threatening to try to remove President Trouillot unless two notorious former Duvalierist officials are arrested by Monday . . . probably will foment protests to force ouster . . . military likely to support President.

Europe

- Evacuation of some 4,500 Albanians from West German, Italian, French Embassies in Tirane began last night . . . UN envoy not hopeful about release of refugees from eight other embassies . . . evacuation will encourage unrest, asylum seekers.

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13 July 1990

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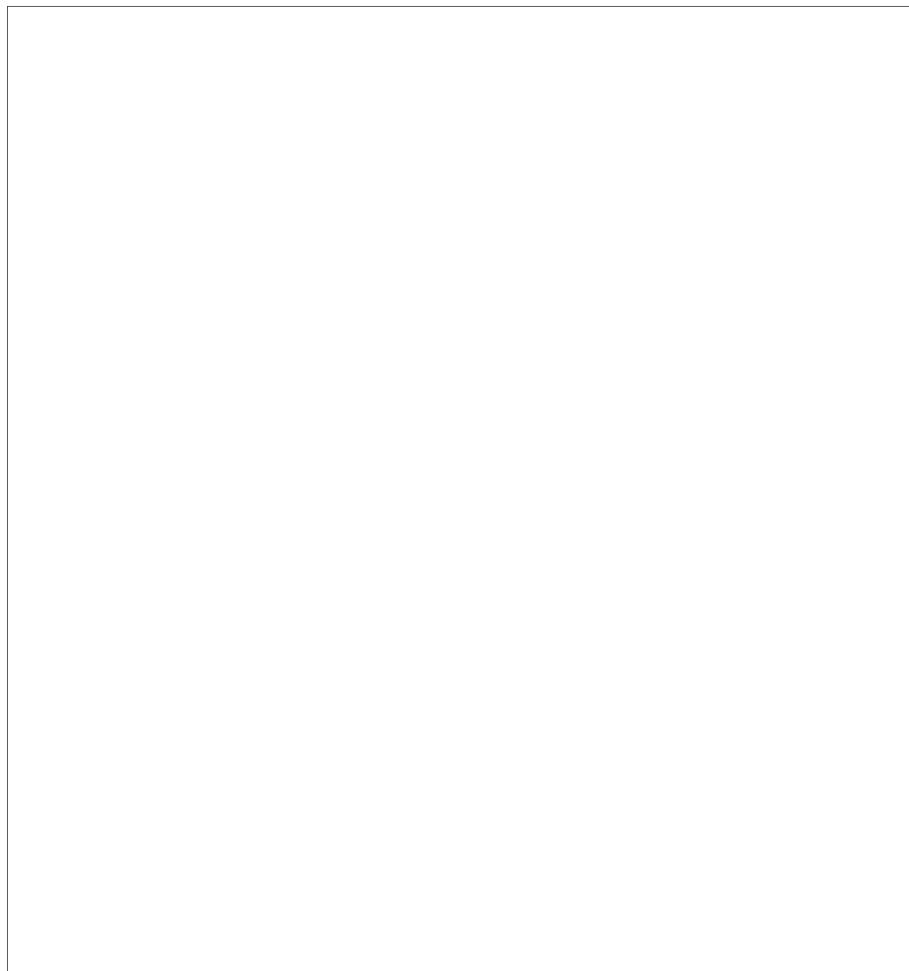
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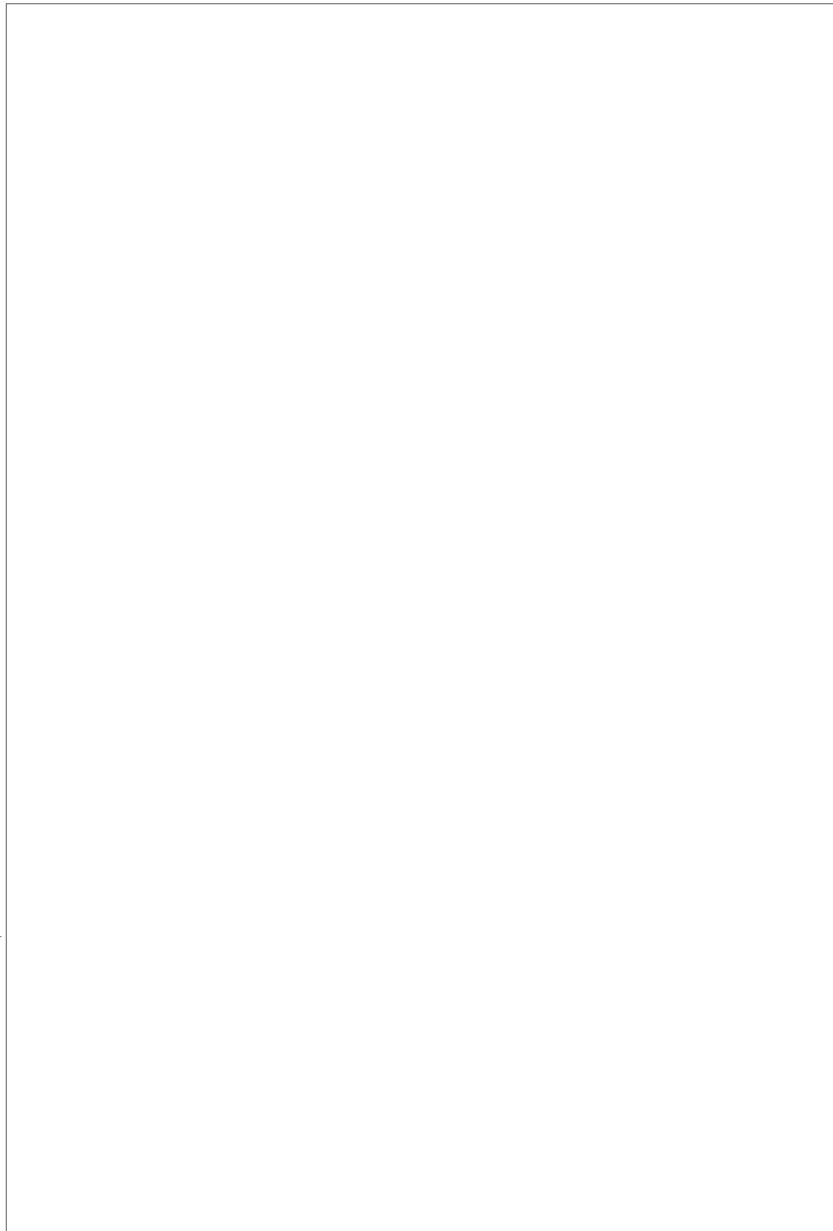


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13 July 1990

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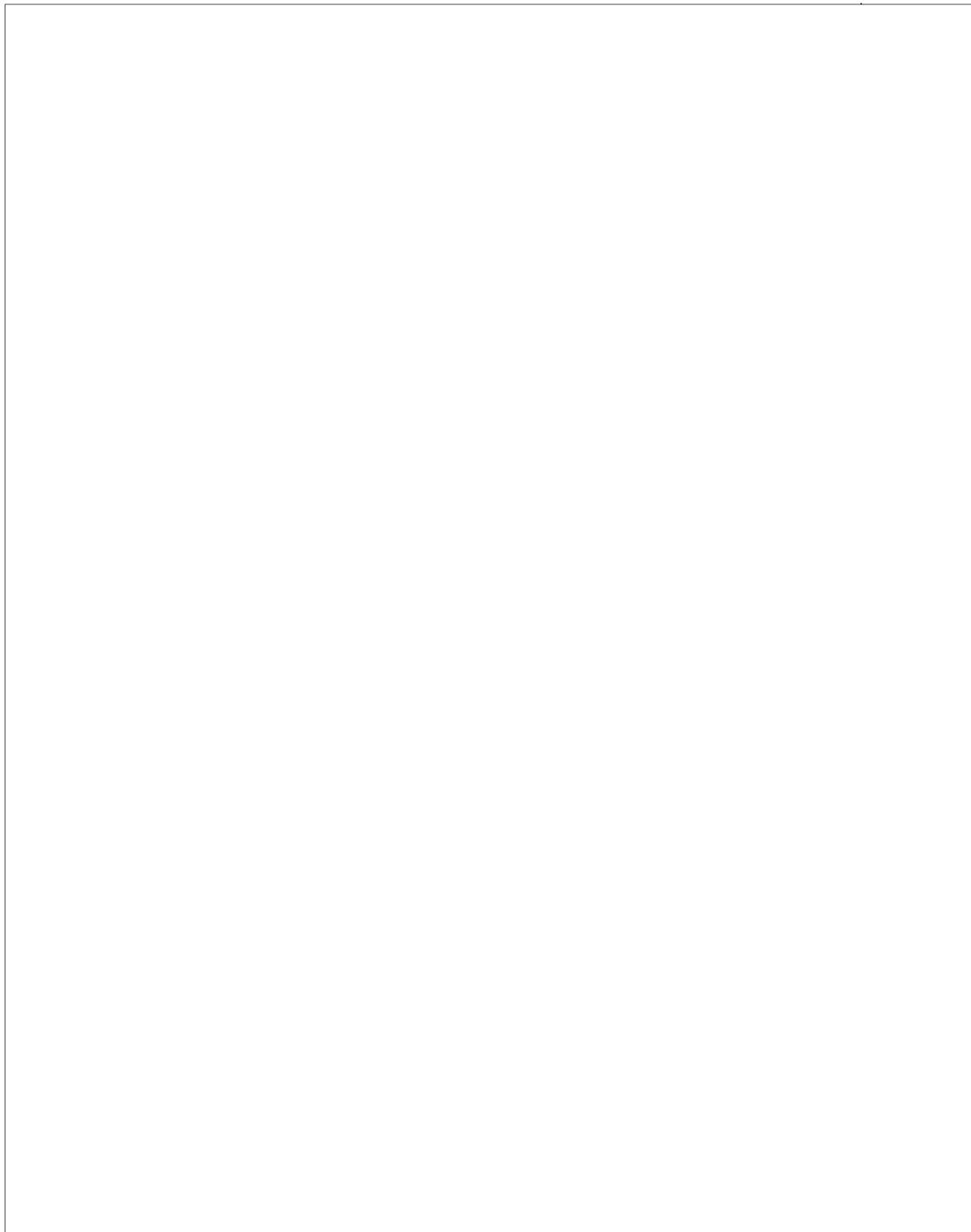
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